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Crisis-Ridden, Battered and Bruised: Time to Give Up on the EU?

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Cover sheet

For *JCMS Annual Review of the European Union*

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Crisis-Ridden, Battered and Bruised: Time to Give Up on the EU?

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Rethinking the Union of Europe Post-Crisis: Has Integration Gone Too Far?, by G. Majone
(Cambridge: Cambridge University Press, 2014, ISBN 9781107694798); viii+370pp., £21.99 pb.

The European Council and the Council: New Intergovernmentalism and Institutional Change, by U. Puetter (Oxford: Oxford University Press, 2014, ISBN 9780198716242); xiv+ 265pp., £55.00 hb.

Why Europe Matters: The Case for the European Union, by J. McCormick (London: Palgrave, 2014, ISBN 9781137016874); xiv+198 pp., £14.99 pb.

Unhappy Union: How the euro crisis – and Europe – can be fixed, by J. Peet and A. LaGuardia,
(London: Economist Books, 2014, ISBN 978-1610394499); xvi+220 pp., £20.00 pb.

Rethinking the European Union, by N. Copsey (London: Palgrave, 2014, ISBN 9781137341662);
xii+260 pp., £28.99 pb.

European integration, as George Ross noted in his study of the European Union (EU) and its crises, 'has never been an easy process' and the EU in particular has been especially 'crisis-prone' (Ross, 2011, p. 1 and 7). With first the financial crisis of 2008 and then recession and the near fracturing of the eurozone, much of last decade has seen the EU faced with its most sustained and testing period of crisis. Not only has the future of monetary union and the euro been put in serious doubt but commentators and politicians have seriously questioned whether the EU would actually survive this latest set of crises. For many, the last five years have seen the EU, or at least the eurozone, fighting for its survival. Not since the eurosclerosis and europessimism of the 1970s has there been such a sustained mood of undoubted and, for some, existential crisis.

The seemingly relentless sense and reality of crisis appeared to begin to abate in 2014. References to the euro's imminent demise and the eurozone's impending break-up no longer fed media headlines, even if doubts soon intensified about whether Greece under the Syriza-led government that took office in January 2015 would remain part of it. EU leaders ceased invoking notions of an existential crisis and scaled back their calls for closer integration of at least the eurozone. Bold steps to establish banking union, fiscal union and economic union to save the eurozone and the EU seemed for many observers to be no longer necessary. The apparent, yet qualified, success of responses to the crisis –

whether the European Stability Mechanism (ESM), the Fiscal Compact Treaty, or the pledge of the President of the European Central Bank (ECB), Mario Draghi, in August 2012 to do ‘whatever it takes’ to save the euro – appear to have brought an end to the mood of impending doom regarding the future of the EU. For many observers and commentators, however, any sense of crisis receding needs to be tempered. Whereas in Ireland and Portugal post-bailout austerity-based reforms appear, at the time of writing, to be bearing fruit, Greece remains in crisis and the prospect of ‘Grexit’ rather than receding is no longer regarded as unacceptable and to be avoided at all costs. Moreover, containing and resolving the eurozone crisis is a question of addressing not only immediate causes, notably sovereign debt, but also the structural shortcomings of and indeed flaws in the design of the eurozone and the wider process of economic and monetary union (EMU). Furthermore, crisis can not only beget new crises but also expose or intensify existing crises. And this is certainly the view of some of the more provocative assessments of the EU produced in recent years. For Zielonka, the EU’s days as the primary focus for, and vehicle of, European integration are numbered; the EU is destined to become ‘toothless and useless’ (Zielonka, 2014, p. 106).

The books under review here each, albeit to varying degrees, accept that the EU has recently been experiencing – and in many respects continues to experience – a multiplicity of crises. The eurozone crisis has been the most potent and energy-sapping. Pre-dating it, yet also exacerbated by it, are crises of legitimacy, leadership, accountability, purpose and democratic deficit. To this may be added crises of (mis)understanding, of interdependence and of identity. Whether, how and to what extent the EU can continue to weather and overcome these crises is where the books differ. For Majone, the future is very bleak. The other authors are rightly less pessimistic. The EU has its flaws, but as even the eurozone crisis has shown, it can act and adapt. The issue for Copsey, Peet and LaGuardia and McCormick is that some serious rethinking and further reform are necessary.

Peet and LaGuardia focus on the eurozone crisis, a crisis to which *The Economist*, for which both authors write, has dedicated considerable editorial space and not an insignificant number of characteristically provocative front covers (which the book conveniently reproduces). For Peet and LaGuardia, the euro, in the face of the financial storm caused by the collapse of subprime mortgages in the United States and the ensuing credit crunch ‘turned out to be a flimsy umbrella that flopped over in the wind and dragged away many of the weaker economies [and] led to the worst economic crisis in Europe since the end of the second world war’ (p. xi). The crisis was so bad that ‘Europe became the world’s basket case’ with the ‘Europhiles and Eurosceptics alike’ exhibiting a growing belief that the euro had ‘undermined, and may yet destroy the European Union’ (p. xii).

Readers of *Unhappy Europe* looking for a lively account of the eurozone crisis delivered in a punchy journalistic style will not be disappointed. The authors chart key developments in the crisis, working

through the events that culminated in bailouts for Greece, Ireland and Portugal and the establishment of the ESM and the adoption of the Fiscal Compact Treaty, and also place the crisis in the broader context of the EU's development. Consequently, they highlight both the institutional design flaws of EMU and the euro and reflect on key turning points in the crisis and its significance for the balance of power in the EU. The analysis is well presented; it will also be familiar to those who followed the crisis: 2012 was a key year with Angela Merkel's commitment to keeping Greece in the euro and Draghi's 'whatever it takes' 'announcement in August – 'Draghi's great bluff' (p. xv); the crisis firmly established Germany as the predominant power in the EU; and the whole saga exposed tensions between eurozone 'ins' and 'outs', notably the United Kingdom.

Peet and LaGuardia also explore what the eurozone crisis reveals about the EU more generally covering the EU's crisis of legitimacy, its democratic deficit, the short-termism of EU leaders and their limited capacity to solve the eurozone crisis and address its economic and political fallout. The crisis has, however, demonstrated resolve: '[EU] leaders have shown they will act to avoid imminent shipwreck. This means a sudden catastrophic default and currency redenomination is improbable' (p. 175). They are probably right; the EU has moved into calmer waters and shown that it can, however clumsily and laboriously, address at least some of the symptoms and causes of the crisis. However, despite the apparent calm, further episodes in the crises cannot be ruled out. Indeed, *Unhappy Union* anticipates further crisis: banks remain 'wobbly' despite new supervisory mechanisms; the ECB's bluff could be called if and when doubts about its commitment to intervene intensify; the legal status of Outright Monetary Transactions continues to be challenged; and economic stagnation persists with growth slow and unemployment high. Moreover, there are important political challenges facing the EU. Two in particular are highlighted: the increased popular disaffection with the EU that has led to increased support for and been promoted by anti-EU and anti-immigration parties¹; and the possibility of a UK exit from the EU. All these are perfectly sound observations.

The fact that the EU has very much 'muddled through' the eurozone crisis offers little hope to the *Unhappy Union*'s authors that EU leaders – 'not proven to be endowed with long-term vision' (p. 177) – will ever pursue a bolder, radical transformation of the EU into a more integrated political and economic union. So, 'the best that can probably be hoped for is that the eurozone lurches from one crisis-induced reform to another', a state of affairs that will be 'unnecessarily costly and painful, but might somehow lead to a more coherent and workable system' (p. 177). The alternative is that the EU runs the risk that 'one or all of its members lose the will to preserve the single currency, and perhaps the wider project' (p. 177). The first scenario, given the past experiences as well as the more recent

¹ See Hobolt's contribution to this volume.

history of the EU, seems the more likely, and Peet and LaGuardia appear to accept this, offering a number of suggestions for reform. Some relate specifically to the eurozone and include greater risk-sharing, a speedier restructuring of problematic sovereign debt, an element of fiscal union in the form of a 'European fund' that could issue bonds, effective banking union, and a more courageous ECB willing to loosen monetary policy. Other proposals look more widely: the EU should enhance the role of national parliaments by increasing their scrutiny roles and allowing them to veto or modify EU legislation; national MPs could also be brought together to oversee EU-level decisions regarding bailouts, for example; a leaner and 'fitter' Commission should also be pursued; and Germany should assume a clear leadership role.

Whether the reforms proposed would be sufficient to 'fix' the euro crisis and 'Europe' as the *Unhappy Union*'s subtitle suggests is open to question. The discussion of solutions is brief, and how far the institutional reforms – long established propositions from *The Economist* – would really equip the EU to address the challenges associated with the future of the eurozone is far from clear. The EU's capacity to generate effective political leadership remains a problem; simply reducing the size of the Commission, potentially downgrading the European Parliament (EP) and giving national parliamentarians greater opportunities to block EU-level activity would contribute little; these proposals appear to reflect more a political agenda sceptical of certain supranational institutions as opposed to a coherent reform project. Moreover, how likely is it that national parliaments already struggling to use existing powers to provide effective scrutiny of the EU and its activities will be able to adapt practices and cultures to take on additional powers? And how does an even more courageous independent ECB sit with the concerns about reducing the EU's crisis of legitimacy? The ideas are nevertheless contributions to a much-needed debate. And for Peet and LaGuardia, this is a debate about the future of the EU, not a Europe without the EU. The EU, despite its flaws, has its value. Its contribution to supporting peace among its members for more than six decades is noted. And in the light of the Ukraine crisis, this should not be forgotten. Yet, the EU is in need of leadership both on the eurozone and on selling the added-value of integration: 'something of great value may... be lost through carelessness or timidity' on the part of EU leaders. They 'fear undoing European integration, but dare not promote it either' (p. 179).

If EU leaders were minded to make the case for the EU more forcibly, they could usefully prepare themselves by studying McCormick's *Why Europe Matters*, a self-proclaimed antidote to the 'toxic stew of pessimism, denial hesitancy, myth and scepticism' in which 'discussion of Europe is mired' (p. 7). And the book certainly delivers in so far as it presents a forcibly argued defence of, and case for, the EU. In doing so McCormick provides a valuable corrective to many of the misinformed and often ignorant positions present in media and popular discussions of the EU; in turn, his highly readable account of Europe as peacemaker, marketplace, democracy, community, political model and

global player challenges and often lays bare core assumptions of hard and soft eurosceptics alike. Running throughout the narrative is McCormick's frustration, no doubt shared by many readers, with the state of knowledge about the EU. For him, '[i]t is hard to think of a public debate that has been both so consequential and yet so abundantly plagued by misinformation' (p. 7). How true.

For some readers, McCormick's analysis may come across as that of a starry-eyed euro-idealist. He does though state his case for the EU well, seeing the crisis glass half full as opposed to half empty. The EU does have its problems, and these extend beyond the eurozone crisis. And, there may well have been a 'cacophony of woe emanating from the euro zone which has, in turn, fed off and been given new energy by a damaging combination of indifference and inattention' (p. 146). However, there is quite rightly no reason to abandon either the euro or integration. The EU matters. Neither the EU's dissolution nor a rollback of integration – McCormick's first two options for exiting the current malaise – is either a viable or a desirable option. Nor is 'stagnation' – a continuation of the 'muddling through' approach that has so characterised the EU's response to the eurozone crisis. Equally undesirable and unrealistic – and here McCormick's pragmatism and understanding of the politics of integration come through – is the 'federal' option of a European superstate. Instead, he settles for 'a programme of informed and sensible reform' (p. 9) that will see the EU emerge as an identifiable 'confederal' entity.

For McCormick, the 'confederal option' of 'a group of sovereign states with a central authority deriving its powers from those states, and citizens linked to the central authority through the states in which they live' (p. 28) has the advantage of 'locking in the best of what the EU has achieved, providing a label by which Europeans might better understand and measure the work of the EU, assuaging the fears of those who oppose further integration, and minimizing opportunities for the works of the EU to be misrepresented' (p. 150). However, simply conceptualizing the EU as a confederation cannot – and must not – in any way be regarded as a panacea for the EU's ills. These ills need to be recognized, which McCormick does. So, the EU has to: engage its citizens; reform its institutions to make them more democratic, more transparent and more efficient; be more responsive; complete unfinished business; and simplify and adjust the division of competences between the Member States and the supranational level. Much can be achieved by proceeding pragmatically, by drawing breath, and by 'deepening rather than widening, allowing the European project to settle, allowing time for its flaws to be worked out in a considered fashion unpolluted by scepticism, pessimism, myths, misunderstandings and crises' (p. 151).

McCormick points to the Laeken Declaration of 2001 as a blueprint for how the EU might proceed. Much maligned, Laeken was supposed to 'mark a decisive step towards a simpler Union, one that is stronger in the pursuit of its essential objectives and more present in the world' (Council of the

European Union, 2001: point 3) and launch a debate on how the EU's institutions could be brought closer to its citizens and how the EU should engage with a fast-changing globalised world. Such challenges still exist; and many of the questions set out in the Laeken Declaration still need to be answered. Re-engaging with Laeken – or better still a revised set of questions reflecting the challenges and issues highlighted by McCormick and the other volumes under review – could be a useful exercise, particularly if second time around a genuine and informed 'future of Europe' debate could be generated. Organizing such a debate would be a major challenge not least because Member States, the key interlocutors between citizens and the supranational level are notoriously disinclined, if at all able, to generate debate on European integration. An informed debate needs to be had in the EU if it is to re-establish itself as an entity and process that enjoys broad popular support.

Neither Majone nor Copsey, both of whom set about 'rethinking' the EU in the light of the eurozone crisis, explicitly share McCormick's interest in revisiting the Laeken Declaration. Neither mentions it. Given Majone's analysis, there would probably be little point, for essentially European integration has simply gone too far and it is time to revert to a 'club of clubs' (p. 321). Post-crisis Europe therefore needs greater flexibility in terms of its political organization; it needs to be something other than European integration as 'a simple linear extrapolation of the traditional nation state model' (p. 321). Indeed, for Majone, there is a need to question 'the very nature and the aims of the integration process' (p. 316). And this is not merely a consequence of the eurozone crisis, but rather the fundamentally flawed design of the EU and nature of EU-based integration. The EU's 'collective leadership' *modus operandi* is severely limited in what it can achieve, and the 'total absence of the traditional government-opposition dialectic' – a major problem for the EU as Copsey also notes – means that 'nobody can claim to govern the EU' (p. 14). Moreover, the EU has long-suffered from a significant mismatch between what it promises and what it has delivered. The failure of monetary union to deliver the anticipated economic benefits is particularly serious: its visibility is much greater and its effects are much more widely felt than anything previously. The political consequences of a failure therefore threaten to be far more significant.

For Majone, the EU, whose 'ever-widening and deepening integration process has proved impotent to arrest the decline of Europe's economy relative to its major competitors' (p. 16), needs to be fundamentally reconsidered. His challenging analysis, elements of which will be familiar to readers of his earlier works (e.g. Majone, 2009), is therefore less a focus on the most recent period of eurozone-dominated crisis, more a forthright and trenchant criticism of the way in which the EU is structured and has evolved and of significant elements of academic analysis (notably neofunctionalism). He does not though question the idea of integration *per se*; he does, however, question the method. A key point is that EU leaders operate within a prevailing political culture of 'total optimism' concerning the EU and further integration and so 'the long-term consequences [of their action] are heavily discounted or

altogether ignored' (p. 61). They are therefore generally unprepared for crisis, having failed to agree contingency plans. For Majone, the eurozone crisis, having moved the EU from 'total optimism to catastrophism' (p. 70), confirms this all too well, and integrationist leaders within the EU, especially Germany, come in for strong criticism for always assuming that the solution to any crisis lies in 'more Europe'.

That the history of the EU has been based on an optimistic view of the potential benefits of integration is hard to dispute. Whether the optimism has been total, however, is highly questionable, as is the assertion that the feasibility of projects has always been ignored. Few if any developments in the history of the EU have been pursued without considerable debate, contestation and negotiation, at least at governmental levels. A convincing case that, for example, successive UK governments since 1973 have succumbed to a political culture of 'total optimism' in further EU-based integration simply cannot be made. A similar argument can be made for most other Member States. Majone nevertheless makes an important point in bemoaning the lack of detailed analysis and assessment of the results of integration. Few comprehensive assessments have been attempted, let alone made. However, to suggest that a European-level process is flawed because results may have fallen short of optimistic expectations and assumed promises is to ignore the regular failures of national level politics. How many political parties or politicians that enter power regularly deliver in full on their electoral or government programme promises?

Majone's critique of the EU's democratic deficit – moving increasingly to a 'democratic default', and in the case of monetary union with democratic input 'almost totally absent' – is more compelling. His solution – a 'radical transformation of the present system, or a drastic limitation of the powers delegated to the European levels' (p. 193) – would, however, appear to have little prospect of being pursued given the political commitment to the EU that the overwhelming majority of Member State governments have to the process. Even the UK government's recent balance of competences review concluded that fundamentally the balance between what Member States and the EU do – at least as far as the UK as a non-eurozone member is concerned – is broadly supported and seen as appropriate. Moreover, in the light of the criticisms raised in several of the books under review here, it is questionable whether sufficient leadership exists for such a process of transformation, just as the leadership to pursue more ambitious forms of deeper EU integration is evidently lacking.

Majone's solution to what he sees as the flaws inherent in the EU as a model for integration is to abandon the open-ended commitment to 'ever closer union' and instead establish a 'finite political goal' for integration, base integration on 'cooperative cooperation' (p. 269) as opposed to excessive harmonization; and pursue integration through a 'Europe of clubs' (p. 116) organized around functional tasks with larger scale projects being pursued only if there is clear evidence of support, for

example, through a super-majority in national parliaments. The role of the EU would be to monitor cooperation rather than pursue its own unilinear development towards a grander European version of the nation state. The focus should be on greater recognition and accommodation of Europe's diversity. Closer eurozone integration is therefore dismissed, just as, with considerable force, 'more Europe' generally.

This is all highly provocative and intentionally so. Majone's fierce criticism of EU integration raises important questions about how far integration has progressed and the form it has taken. This is a very thought-provoking and intellectually stimulating book and Majone's diagnosis of the problems and challenges facing European integration should not be ignored. Important questions are raised. However, one cannot but help thinking that some of the core claims are overstated. Majone talks of a 'race towards deeper integration' (p. 303). Europe over the last sixty years has certainly experienced a process of deepening integration; but to view it as a 'race' is to ignore the piecemeal manner in which it has been achieved, the hard bargaining and negotiation that has been necessary, and the more federalist and integrationist ambitions that have been dashed along the way. There are serious problems with the eurozone's 'one-size-fits-all' monetary policy and the design of monetary union more generally; but the history of the EU is one of seeking to address and resolve problems that integration has raised and incrementally adapt the EU accordingly. This has generally worked to date, and the fact that the EU has emerged from the eurozone crisis essentially intact, if battered, bruised and weary, suggests that the model remains durable and broadly supported, at least at the elite level. Even at the popular level, Eurobarometer polls consistently reveal marginally greater trust in the EU compared to national parliaments and governments (European Commission, 2014, p. 8). This is not to dispute in any way the need for reform, or the pressing need to address the EU's legitimacy and democratic deficits. Insights and ideas can be taken from Majone's analysis, but there appears little need to take up his call of effectively returning to the drawing board with how integration is pursued, abandoning the EU as we know it, and pursuing integration in a radically difficult manner. Moreover, one has to question how feasible this would be politically. The appetite – as with the case of full-blown political union – simply does not exist. Furthermore, the whole case tends to ignore the increasingly differentiated nature of EU-based integration; the flexibility that Majone is calling for, partly exists already, and there is scope for more, provided fundamental principles are not compromised.

Like Majone, Copsey offers a far more detailed analysis than McCormick of the challenges facing the EU. He also presages his remarks by stressing that the gravity of the challenges should not be underestimated. The recent travails of the eurozone and the 'Great Recession' that went before have not only been crises in themselves, but have also exacerbated a range of 'underlying social, economic and political problems [that have] been mounting for decades' (p. 2). In addition the eurozone crisis

has confirmed the EU's 'apparent powerlessness of the EU's collective leadership' (p. 5) to do anything more than shore up the euro. If anything, recession and crisis have weakened the EU more than is commonly recognized and brought to the fore 'a sense of intractability, failure and loss of purpose and general drift that [has] challenged and undermined much of what has been understood and written about the EU and European integration' (p. 214). *Rethinking The European Union* provides a well-argued reminder that, even as it appears to be putting the darkest days of the eurozone crisis behind it, the EU is still faced with significant challenges that need to be addressed if it is to survive as a purposeful contributor to economic, political and social development in Europe.

Copsey explores four specific challenges in detail. The first concerns the question of who actually identifies with the EU. The answer, beyond a broadly enthusiastic elite, is relatively few people. At best there is a grudging popular acceptance of the EU by a generally apathetic majority. Whether this will be sufficient to sustain the EU is rightly questioned, particularly as integration, its cost and benefits become increasingly contested. Second, there is the related issue of the EU's popular legitimacy. Here Copsey notes the EU's long-standing democratic deficit, yet is quick to point out that it is less severe than its most ardent critics maintain and that democracy has its shortcomings at the level of Member States as well. He also makes the important point that the situation is exacerbated by the culture of consensus-building in the EU which tends to deny voters real choices. Compounding matters is the elite-determined response to the eurozone crisis which has seen austerity imposed without popular approval. Consequently, and here Copsey and Majone concur, the EU has arguably reached the limit of what it can legitimately do, at least in the absence of explicit popular endorsement. A key question is how the EU should set about securing such endorsement.

The third challenge concerns solidarity and the winners and losers in the EU. Once again, European integration disproportionately favours elites with Copsey suggesting that only 17-20 per cent of Europeans benefit from the EU's predominantly market-based integration. Any notion of fairness is seriously undermined. So, to establish any sense of solidarity, the EU needs to move beyond market-based integration as its ideological basis. The fourth challenge – sustainability – has two dimensions: internally, the EU's economic model; and externally the EU's global role. On the former, the case is made for sustaining 'European capitalism' – the social market economy – with its mix of capitalism, social protection and market regulation. It is not to blame for the EU's economic ills. What is needed, however, is job creation and here Copsey stresses the need to complete the unfinished business of the liberalization of services and deregulate labour markets. Lessons are to be learnt from the German experience with its Agenda 2010 and Hartz reforms. On the EU's global role, what is lacking is a grand strategy and EU relevance in the face of new global players. At present, the role and influence of the EU is less than the sum of its 28 Member States and so Europe risks fading into global irrelevance.

Like Majone, Copsey is strong on identifying and diagnosing problems and challenges. Whereas Majone very much sees the EU glass as half empty at best, Copsey is rightly more positive, having at least some faith in the proven durability of the established structures. However, as he also notes, the need for change has to be recognized; and this has to be accompanied by greater regard for the future. Short-termism needs to be overcome and more strategic thinking needs to be deployed. If socio-economic decline is to be addressed, reform is needed across the EU and not just in the bailout states – Greece, Cyprus, Portugal and Ireland – or those that have struggled – e.g. Spain and Italy – to service and reduce their sovereign debt. Copsey points particularly to France, which still has to come to terms with globalization and reform and can presumably act as a model for reform elsewhere. It is in the context of the dynamics of economic reform that *Rethinking the European Union* provides one of its most interesting observations on the EU. The southern Member States, having joined the EU without the same level of pre-accession conditionality as the Central and East European states, are not only seeing their comparative economic advantage eroded by globalization, but, having failed to engage to the same degree in reforms in response to globalization, are being challenged in terms of their relative economic standing by the likes of Slovakia, Slovenia, Estonia and the Czech Republic who are all set to overtake Portugal and Greece in terms of per capita GDP in 2015 (p. 221). This has political as well as economic significance for the relative standing of individual Member States within the EU and heralds an end to the era of the ‘old’ and the ‘new’ Member States and should result in a further re-calibration of the north-south/reformist-laggard/liberal-protectionist camps into which the Member States are ostensibly divided, and in each case to the benefit of the reformist discourse.

Copsey details a range of additional changes that are required. Among these is the need to re-balance the theory and practice of EU integration with less emphasis on markets and consumers and more on the EU’s values and on people as citizens. Also needed is a better understanding of the EU. Here Copsey rightly bemoans the ‘wilful ignorance of Brussels and its workings’, especially among national politicians, civil servants and judges: ‘[a]fter nearly sixty years of the European project, it [is] surely time for national institutions to catch up with Europe’s political reality as a polity-in-the-making’ (p. 220). To this should be added the point that governments and electorates need to accept and promote national and EU levels of policy-making as being part of the same evolving ‘European’ political system.

Copsey’s diagnosis of Europe’s problems and his calls for change are well-made and are followed by a concluding, albeit unfortunately rather brief, discussion of the ‘choices’ Europe has to make. Three are identified: a ‘new project, narrative or vision for Europe’; the means to deliver effectively at national and EU level; and a decision on how far the ‘new project’ will extend. For the first, historical narratives of peace and prosperity need to be supplemented with a narrative of ‘European values’ and

of ‘unity in strength’, and a shared sense of a ‘common purpose’ for the EU. A range of ideas are floated: addressing Europe’s ageing population, increasing economic productivity, increasing labour market participation, and ensuring long-term investment in energy and power generation, research and development, education and training. In order for this to be done, a debate needs to be had on the model of free markets the EU will promote. In terms of delivery, Copsey is brief, pointing to the need for political will and robust and modernized institutions well-resourced financially and in terms of human capital. On the delineation of the EU’s borders, he is briefer and inconclusive; essentially a case of ‘time will tell’. The conclusion to this ambitious book with its authoritative discussion of issues, informed analysis of where the EU is and its attempt to ‘rethink’ the EU, unfortunately, rather tails off.

That the EU needs a ‘new project, narrative or vision for Europe’ is hard to dispute; the EU has to re-assert its sense of purpose. Copsey’s call raises the question, however, of who in the EU can – and should – provide the necessary leadership. Few informed observers can deny that Member State governments must take a leading role here. They are not only the key drivers of integration, but they continue to be the primary means through which citizens, increasingly affected by integration, involve themselves in the process. Institutionally considerable responsibility lies with the European Council, now firmly established as the dominant forum for decisions – and in some cases brakes – on further integration. The eurozone crisis has demonstrated as much, members of the European Council gathered on no less than 26 occasions in 2010-2013; those from eurozone Member States attended a further ten ‘Euro Summit’ meetings. And it was these gatherings that either agreed or paved the way politically for the establishment of the European Financial Stability Facility, for the bailouts of Ireland, Greece and Portugal, for the creation of the ESM, and the for the adoption of the Fiscal Compact Treaty.

It would be wrong to assume, however, that the eurozone was the making of the European Council. Successive rounds of treaty reforms since the early 1990s have not only formalized but also reinforced its role as the body initially charged with providing the EU with ‘the necessary impetus for its development’ and defining its ‘general political guidelines’ (Article D TEU, Maastricht). References to other specific responsibilities now permeate the texts of the EU’s constitutive treaties. The Treaty of Lisbon’s formal designation of the European Council as an EU ‘institution’ was therefore, presentationally at least, little more than a belated recognition of its central role in the life of the EU. Where the Treaty of Lisbon went further than previous treaties was in investing in the European Council responsibility for providing ‘the general political *directions* and *priorities*’ of the EU (Article 13 TEU, Lisbon) and providing it with the institutional means to sustain the pre-dominant position it had assumed. With the heads of government and state now ‘electing’ their own full-time President of the European Council to ‘drive forward its work’, providing the President with dedicated

administrative support, and formally meeting more regularly, the way has been paved for greater continuity and coherence in the work of the European Council. Meetings would also become smaller and presumably more focused with the High Representative for Foreign Affairs and Security Policy participating as opposed to, by default, all Member State foreign ministers.

The evolution of the European Council over the last two decades and more is ably and thoroughly charted in *The European Council and the Council: New Intergovernmentalism and Institutional Change*. Here Puetter offers a comprehensive review of the European Council's roles, its structures and working methods and demonstrates effectively how this originally unintended body that initially operated informally and outside the institutional structures of the European Communities has evolved into the EU's 'new centre of political gravity' (chapter 3). Puetter explores in detail how the European Council's internal organization has been 'geared towards increasing its capacity to generate consensus over policy' (p. 145) and how its working methods have become more formalized and focused on substantial policy debates with meetings being more 'issue-driven' and the European Council conclusions increasingly providing 'a key instrument for exercising leadership' (p. 135)

Puetter's central argument is that this evolution is part of a wider process of 'new intergovernmentalism' that has the Council and European Council as the pre-dominant institutions in the EU. Within this new intergovernmentalism, the Council retains its historic position at the heart of EU decision-making, but this traditional understanding of the Council has to be qualified, not least through accommodation of the greater role that the European Council now has and plays and the increasing co-legislative responsibilities successive rounds of treaty reform have bestowed on the EP. While the EP's status as a co-legislator is almost universally presented as a clear challenge to the assumption that the Council is the EU's prime legislative institution, the new intergovernmentalism thesis is sustained by reference to the changing role of the EU which Puetter presents as one of increased intergovernmental policy coordination and declining traditional community method-based law-making. Such a shift is reflected in changes to how the Council operates and how it relates to and interacts with the European Council.

As with his discussion of how the European Council has operated and now operates with its post-Lisbon structures, Puetter provides a highly insightful, empirically-rich, original and well-researched analysis of three key Council formations – the Economic and Financial Affairs Council (ECOFIN), the Foreign Affairs Council (FAC) and Employment, Social Policy, Health and Consumer Affairs – and their working methods as well as the informal Eurogroup and a number of expert committees and working groups. In doing so, the book provides a highly valuable addition to the existing, relatively and surprisingly sparse, literature on the Council and non-community method-based decision-making in the EU, particularly where new arrangements such as the replacement of the rotating Council

Presidency with dedicated chairs of meetings (i.e. High Representative in the FAC, and the Presidency of the Eurogroup) are concerned.

While undoubtedly informative and perceptive in its analysis of the changes that the European Council and Council have experienced in the post-Maastricht period, the book is less convincing, however, in its purported contribution to how European integration should be understood and theorized. This stems from key assumptions underpinning the study and claims about the existence of a ‘new intergovernmentalism’ and the utility of a new conceptual framework of ‘deliberative intergovernmentalism’ for understanding the contemporary nature of EU policy-making. The first of Puetter’s key assumptions is that the EU is facing ‘an integration paradox’. This is presented as the Member States since the early 1990s, fearful of the ‘irreversible dismantling of national sovereignty’ having ‘insisted on strictly limiting further transfers of ultimate decision-making powers to supranational actors’ yet at the same time being ‘equally eager to expand the scope of EU policy-making activities significantly so as to include all core areas of national sovereignty such as economic governance, foreign affairs and defence, welfare state policies, and [justice and home affairs]’ (p. 8).² One might question how ‘eager’ the Member States have actually been to expand ‘all’ areas, and also whether there is actually a ‘paradox’ here.

A second key assumption is that the Maastricht Treaty ‘marks the constitution of a particular logic of integration to which all subsequent treaties have subscribed... [K]ey decisions at Maastricht and beyond concerning the broader institutional architecture of the Union, and notably the new areas of activity, have played a pivotal role in informing the emergence of a new intergovernmentalism in EU policy-making and a related process of profound institutional change that is concentrated around the European Council and Council’ (p. 7). That there has been a significant expansion of EU activities and ‘profound institutional change’ in the EU cannot be disputed. The areas of EU activity have obviously expanded to include, most notably, monetary union and a single currency, a common foreign and security policy, and the area of freedom, security and justice. And the EU’s institutional architecture today is, particularly with the ECB and the European External Action Service, more densely populated than it was in the early 1990s. Furthermore, the distribution of powers and responsibilities has clearly shifted, primarily to the benefit of the EP. However, to claim that this is an essentially post-Maastricht phenomenon and to present the Maastricht Treaty as a ‘watershed’ moment tends to overlook the extent to which it codified and built on existing integration dynamics within and around the then European Communities including the direction of EMU and extra-EC activities in the area of justice and home affairs (JHA).

² Later the ‘integration paradox’ is presented slightly differently as the institutional dilemma represented by the increasing clash between ‘the conviction that stronger EU-level action is the precondition for resolving today’s fundamental policy challenges’ and ‘insistence on ultimate national sovereignty’ (p. 30).

Puetter is correct to stress a shift in the post-Maastricht era from legislative activity to intergovernmental policy coordination and responsibility for implementation being vested in the decentralized resources of the Member States as opposed to the Commission, particularly where the new areas of activity that Puetter discusses in detail are concerned. Here the analysis is particularly persuasive. However, whether this is tantamount to the EU being characterised by a ‘new’ intergovernmentalism is open to question. Legislative activity has continued elsewhere, as has the exercise of power by both established and more recently created supranational bodies, notably the ECB. Also, whether the consequential ‘implementation failure’, policy ineffectiveness and ‘easy’ defection from EU-level policy objectives were, as claimed, ‘an intended feature of the post-Maastricht EU’ (p. 4) must be challenged. Not all Member States have been content with the tendency to eschew supranational policy-making and the Community method in favour of the lowest common denominator of intergovernmental policy coordination. Moreover, as the case of JHA – detailed consideration of which is not provided – clearly shows, the focus on intergovernmentalism was intended to be transitional. Hence the communitarization through the Treaty of Amsterdam of much of the EU’s pillar three activities caused little surprise, particularly in the light of the difficulties that early post-Maastricht efforts at intergovernmental policy coordination had faced. A number of limited opt-out/opt-in arrangements had to be agreed for Denmark, Ireland and the United Kingdom, but the broad consensus was on communitarization. Similarly, with the Treaty of Lisbon, the bulk of the Member States supported the effective communitarization of residual pillar three activities and the extension of the Court of Justice’s jurisdiction, delayed until 2014 only at the insistence of the United Kingdom. More generally, it has often been the case with the EC/EU that new policies have been introduced through intergovernmental cooperation only to be subsequently institutionalized and, as Schimmelfennig has already noted in his assessment of ‘new intergovernmentalism’ as advanced by Puetter and co-authors elsewhere (see Bickerton *et al*, 2014), all these policies are ‘governed less intergovernmentally now than in the pre-Maastricht era’ (Schimmelfennig, 2015, p. 4). Hence, ‘new intergovernmentalism’ is much ‘better understood as an issue-specific approach focusing on a particular set of [non-regulatory] policies ... or ‘core state’ powers’ with many of its features appearing to ‘fit well to such policies ... [but] they neither define the post-Maastricht era in general nor neatly coincide with the pre-/post-Maastricht temporal divide’ (Schimmelfennig, 2015, p. 1). The same argument can be applied to Puetter’s volume under review here.

This is not to deny the increasing role of the European Council in the EU, the centrality of the Council to decision-making or policy coordination, the fact that Community method-based decision-making no longer dominates decision-making in the EU, or that Member State governments generally demonstrate a reflex preference for retaining control over policy-making despite accepting arguments for more collective and coordinated action in the face of significant policy challenges. This has been

evident in recent years in many of the various challenging debates on how to respond to developments in the eurozone crisis. And with EU leaders being obliged to resort to extra-EU mechanisms, notably the Fiscal Compact Treaty, to achieve their goals, considerable force is given to Puetter's argument for the preference to avoid investing new powers in the supranational institutions and reverting to Community method-based policy-making. Indeed, Puetter's analysis of the Fiscal Compact Treaty is compelling. And he does acknowledge the roles that supranational actors have been granted in this latest example of a preference for an essential intergovernmentally dominated response. However, whether the full set of claims for a 'new' distinctive intergovernmentalism can actually be sustained is arguably overstated. In addition to the observations above, it also tends to downplay the support that has existed among at least some Member States for more supranationally-oriented reforms regarding banking, fiscal and even economic union – even if banking union so far is a lot more intergovernmental than some hoped for – and the fact that moves beyond intergovernmental policy coordination cannot be ruled out.

A final comment on *The European Council and the Council* relates to 'deliberative intergovernmentalism', Puetter's 'umbrella term' for an analytical framework 'which holds that the EU's dependency on permanent consensus generation among Member State governments in day-to-day policy-making ... determines intergovernmental decision-making'. It predicts that 'institutional engineering will occur in all spheres of European Council and Council decision-making' (p. 5). This is all demonstrated in detail based on a set of theoretically-grounded – but equally, empirically-deducible – propositions in regard to a selection of policy areas. The latter is important since the claims Puetter is making about deliberative intergovernmentalism relate only to the EU's 'new areas of activity'; there are considerable areas of more supranational EU activity and certain Council activity where the case for deliberative intergovernmentalism is not being advanced. This important caveat to Puetter's analysis and argument should not be overlooked.

Although not its purpose *The European Council and the Council* does show how, in part at least, the EU institutionally has been responding to the eurozone crisis and reveals the continuously evolving nature and structures of the two institutions covered. Their flexibility and adaptability will provide some comfort to those who maintain the EU is able to adjust in the face of crisis and survive. Advocates of supranationalism and those nostalgic for the heyday of community-method domination of EC policy-making will be dismayed, however, at yet further well-documented evidence of sustained and increasingly institutionalised intergovernmentalism within the EU.

Whether this intergovernmentalism enhances the EU's capacity to take up the reform challenges set out by the authors of the other volumes under review here remains to be seen. There will be doubters; boldness and decisiveness and the setting aside of short-term political considerations in favour of

longer-term principles and the interests of the EU, its citizens and integration have not always been the hallmarks of responses to the eurozone crisis or indeed other previous crises and challenges. A tendency towards muddling through is the norm in the EU and is likely, on the basis of evidence to date, and as Peet and LaGuardia argue, to remain so despite the urgings of McCormick and others for the EU to be bolder and more decisive. Puetter's stress on deliberative intergovernmentalism and consensus-building also conspires against swift and ambitious action. Yet, used effectively a more deliberative response can have its advantages, providing opportunities to reflect, consider and take informed decisions. It also provides scope – regrettably often ignored – to engage wider interests in the process of formulating responses. The challenge for the EU is to take those opportunities and use that scope.

It will need to if the underlying problems challenges identified by Copsey in particular are to be addressed and in a manner that does not exacerbate the EU's existing democratic and legitimacy deficits. These have become critical and further attempts to deepen integration significantly without effective public consultation and endorsement are likely not only to fail but also to undermine irreversibly the prospect of embedding broad popular support for the EU. For such a consultation to take place, honest assessments of the EU and integration are essential. What unites each of the volumes under review is their informed reflections on the state of the EU and the manifold problems and challenges it faces. They demonstrate quite clearly that the eurozone crisis is not the only crisis facing the EU and even its resolution – far from an assured outcome – will not see an end to crisis. Yet the persistence of crisis is no reason to abandon either integration or the EU. There is demonstrable resilience and a capacity to respond in the EU, even if crisis responses may often seem and be sub-optimal and tardy. While Majone would not be alone in assuming otherwise, Copsey, McCormick, Peet and LaGuardia all at least hope, if not believe, that the EU can adapt further to address the crises facing it. It goes without saying that moving the EU into a settled, supported and sustained future requires the complex range of problems diagnosed here to be addressed. A key question is whether the EU in its current or a reformed state has the capacity to do so. Its resilience through crisis to date suggests it probably does.

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